

Exhibit C

GENERAL TERMS AND CONDITIONS ADVANCED TECHNOLOGY PROGRAM

August 2001

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Attachment A -- Optional Guidelines for Quarterly R&D
Performance Reports (5 Pages)

Attachment B -- Guidelines for Reporting on Business Progress
and Economic Impacts (2 Pages)



GENERAL TERMS AND CONDITIONS ADVANCED TECHNOLOGY PROGRAM (ATP)

August 2001

This document applies to all Recipients of the ATP Cooperative Agreements. ATP Recipient is defined to include all single company Recipients and each individual company that is identified in the Special Award Conditions as a Joint Venture participant.

1. ORDER OF PRECEDENCE OF TERMS AND CONDITIONS OF AWARD

Where the terms of the award and proposal differ, the terms of the award shall prevail. The Recipient is obligated to bring to the attention of the Grants Specialist any perceived difference between any terms and conditions and the proposal.

2. REFERENCED REQUIREMENTS

The ATP Statute, 15 U.S.C. Sec. 278n; the ATP Rule, 15 CFR Part 295; the ATP Notice of Availability of Funds, 66 Fed. Reg. 96 (January 2001); and the ATP Proposal Preparation Kit (November 2000) are hereby incorporated into the award by reference.

3. AUTHORITY TO MODIFY

The Grants Officer is the ONLY authorized agent at NIST with the authority to bind the Federal Government, and to take actions to amend, suspend, and terminate the cooperative agreement.

4. REQUIREMENTS FOR CONTINUING FINANCIAL ASSISTANCE

- a. With respect to any technology arising from assistance provided by NIST under this award, the Recipient shall promote the manufacture of products resulting from that technology within the United States and shall procure parts and materials from competitive United States suppliers to the extent practical.
- b. At any time within the life of this award should the Recipient cease to have a majority control or ownership by individuals who are citizens of the United States, the *Recipient shall notify the NIST Grants Officer of that fact, in writing, within FIFTEEN (15) days.*
- c. In accordance with 15 U.S.C. 278n Sec. (d) (9) and (e),

NIST may, within thirty (30) days after notice to Congress, suspend a company from continued assistance under this award if NIST determines that the company or a parent company has failed to satisfy any of the criteria contained in paragraphs a. and b. of this term, and that it is in the national interest of the United States to do so.

5. NIST PROJECT MANAGEMENT TEAM

The NIST Project Management Team (PMT) includes an ATP Project Manager, a NIST Grants Specialist, and one or more ATP technical and business specialists. The ATP Project Manager is responsible for working with the Recipient, including making recommendations to the NIST Grants Officer throughout the life of the project to ensure that the project progresses towards the objectives stated in the proposal in an optimal way. The ATP Project Manager (and other members of the PMT as appropriate) shall participate in a project start or kickoff meeting, annual reviews, and a closeout meeting prior to the expiration of the award. The ATP Project Manager is responsible for the following:

- a. General oversight and project management functions associated with this cooperative agreement.
- b. Arranging kickoff meetings, annual review meetings, and final closeout meetings.
- c. Monitoring the project to ensure that it is executed in accordance with the proposal and this award; this includes analyzing the quarterly, annual, and final reports, and consulting with other members of the PMT to assess progress.
- d. Recommending appropriate action to the NIST Grants Officer if the project is failing to meet its objectives.

6. SUBSTANTIAL INVOLVEMENT

NIST has selected a cooperative agreement as the funding instrument for this project. Accordingly, the NIST Project Management Team will be substantially involved in the following areas:

- a. Approval of go/no go decision points at various project stages before subsequent stages of a project may continue; if specified in the Special Award Conditions;

- b. Concurrence with sole source procurements in excess of \$100,000;
- c. Approval of key personnel specified in the proposal (including such positions as Financial Officer, Administrator, Principal Investigator, and/or Project Manager); and
- d. Approval of changes in Joint Venture membership.

7. TECHNICAL/BUSINESS/FINANCIAL REPORTS AND PLANS

The Recipient shall provide access to information that is required to assess the project's progress throughout the project life cycle. In addition to monitoring the technical work, NIST requires business information pertaining to the project during the life of the project and for six years after its end to assess progress towards commercialization, the degree of adoption of the technology, and the impact of the project on the economy.

a. Technical Reporting:

The Recipient shall submit technical performance reports in triplicate (one original and two copies). Two copies shall be submitted to the ATP Project Manager and the original report to the Grants Officer in the same frequency as the Financial Status Report (SF-269). Technical performance reports shall contain information as prescribed in 15 CFR 14.51. (See Attachment A for an optional structure or format for the technical report.)

b. Business Reporting:

The Recipient shall submit business reports in accordance with the "Guidelines for Reporting on Business Progress and Economic Impacts" (see Attachment B).

c. Financial Reporting:

(1) Actual or Incurred Costs

By signing this award the Recipient agrees to ensure that only actual costs incurred will be charged to the award and that all costs will be reasonable, allocable, and allowable in accordance with the applicable Federal Cost Principles. See 15 CFR 14.27. The Recipient shall also ensure that all salaries/wages (technical and administrative), fringe benefits, travel, materials and supplies, equipment, subcontracts, other costs, and indirect costs proposed and to be incurred under this award are consistent with costs incurred for like or similar items on all other Federal and non-Federal projects or cost centers (exclusive of any profits or fees) of the Recipient (including its Joint Venture Partners when applicable).

(2) Cost Share

The Joint Venture (JV) Administrator is responsible for conducting a review of the financial status reports for each JV participant to ensure that the financial information is consistent with each participant's approved budget and consistent with Chapter 5, Examination Procedures, item 4. of the NIST Program-Specific Audit Guidelines for Advanced Technology Program Cooperative Agreements with Joint Ventures, dated September 1999. Any discrepancies must be resolved by the JV Administrator prior to submitting financial reports or requesting payments from NIST. The JV Administrator must ensure that the overall award cost-share requirements are met throughout the award. In addition, each JV member is responsible for meeting its cost share in accordance with its approved budget throughout the award.

(3) Submission of Financial Reports

For ATP Recipients, Article A.01 of the DoC Financial Assistance Standard Terms and Conditions dated October 1998 is revised as follows:

- (a) The Recipient shall submit a "Financial Status Report" (SF-269) on a calendar quarter basis for the periods ending March 31, June 30, September 30, and December 31, or any portion thereof, unless otherwise specified in a special award condition. Reports are due no later than 30 days following the end of each reporting period. A final SF-269 shall be submitted within 90 days after the expiration date of the award.
- (b) The Recipient shall submit a "Federal Cash Transactions Report" (SF-272) for each award where funds are advanced to Recipients. The SF-272 is due 15 working days following the end of each calendar quarter for awards under \$1 million dollars; or 15 working days following the end of each month for awards over \$1 million dollars; or unless otherwise specified in a special award condition.
- (c) All financial reports shall be submitted in triplicate (one original and two copies) to the NIST Grants Office.

8. KICK-OFF MEETINGS, ANNUAL REVIEWS, CLOSEOUT MEETINGS, AND SPECIAL STUDIES

The Recipient and each Joint Venture participant, if applicable, shall participate in kick-off, annual review, and closeout meetings. The ATP Project manager will provide the Recipient with meeting instructions in advance of these meetings.